



State of Utah

Department of Environmental Quality

Richard W. Sprott.
Executive Director

DIVISION OF WATER QUALITY
Walter L. Baker, P.E.
Director

Water Quality Board
Joe Piccolo, *Chair*
Paula Doughty, *Vice-Chair*
David F. Echols
Darrell H. Mensel
LeLand J. Myers
Richard W. Sprott
Jay Ivan Olsen
Gregory L. Rowley
Steven P. Simpson
Merritt K. Frey
Daniel C. Snarr
Walter L. Baker,
Executive Secretary

JON M. HUNTSMAN, JR.
Governor

GARY HERBERT
Lieutenant Governor

MINUTES

Utah Water Quality Board Meeting
Washington County Building
197 E Tabernacle
St. George, Utah 84770
March 10, 2008

UTAH WATER QUALITY BOARD MEMBERS PRESENT

Paula Doughty	Jay Olsen
Leland Myers	Dave Echols
Joe Piccolo	Greg Rowley
Daniel Snarr	Merritt Frey
Darrell Mensel	Richard Sprott

ABSENT: Steve Simpson

DIVISION OF WATER QUALITY STAFF MEMBERS PRESENT

Walt Baker, Faye Bell, Ed Macauley, Lisa Nelson, John Whitehead, Carl Adams,
Candace Cady,

OTHERS PRESENT

<u>Name</u>	<u>Organization Representing</u>
Phil Wright	Local Health Departments
Dustin Matsumori	GK Baum & Co.
Jim Matsumori	GK Baum & Co.
John Newman	SVWRF
Craig White	South Valley Sewer District
Dennis Drake	Washington County

Chair Piccolo called the Board meeting to order at 1:30 p.m. He welcomed those in attendance and invited the members of the audience to introduce themselves.

APPROVAL OF MINUTES OF THE FEBRUARY 15, 2008 MEETING

Motion: It was moved by Mr. Myers and seconded by Mr. Olsen to approve the minutes of the February 15, 2008 Board. The motion was unanimously approved.

Executive Secretary's Report: Mr. Baker updated the Board on the results from the Legislative session. SB202 Carbon Sequestration, HB303 phosphate in detergent, and HB222 which adds a Local Health Department representative to the Water Quality Board

and allows the Board to issue Operating Permits to wastewater treatment works including non-discharging lagoons and large underground wastewater disposal systems and to delegate this authority to LHDs. The building block to continue Fish tissue monitoring did not get passed by the appropriation committee. DWQ recently hired Leah Ann Lamb as new Branch Manager to fill the vacancy left by Harry Judd.

Mr. Sprott said that overall DEQ came out of this year's legislative session well. DEQ was pursuing four bills, all of which passed. Air Quality and Mercury Monitoring received an additional two million. Next year DEQ will need to move towards fee based funding instead of general funds. Interim studies will be done on 1) nutrients education, 2) Great Salt Lake: to educate the legislature about the Great Salt Lake and 3) Bio systems for individual lots.

LOAN PROGRAM

Financial Assistance Status Report – Mr. Macauley updated the Board on the “Summary of Assistance Program Funds,” as outlined on page 2.1.

South Valley WRF's request for interim financing: Ms. Nelson introduced John Newman, Craig White, Jim Matsumori and Dustin Matsumori. On August 17, 2007 the Board authorized a loan in the amount of \$22,110,000 to fund Phase 4D of the South Valley Water Reclamation Facility (SVWRF) expansion. SVWRF opened bids for this project on February 14, 2008 and determined that it has a shortfall of \$6,000,000 funding in order to award the project. Staff recommends that the Water Quality Board authorize interim financing to SVWRF in the form of a 3.5% interest loan secured by a Bond Anticipation Note due in full no later than February, 21, 2009 to allow SVWRF to commence construction while securing additional financing for this project.

Motion: **It was moved by Mr. Myers to approve staff's recommendation to authorize SVWRF's request for \$6,000,000 in interim financing at an interest rate of 3.5% to be repaid by February 21, 2009. The motion was seconded by Mr. Echols and was unanimously approved.**

South Valley Sewer District's request to replace its loan authorization with a Interest Rate Buydown: Ms. Nelson introduced Craig White, Ken Spiers and Jim Matsumori. On September 14, 2007 the Board authorized a loan in the amount of \$22,110,000 to fund construction of a new wastewater treatment facility. This loan included \$2 million in funding for nonpoint source projects. South Valley Sewer District (SVSD) is now requesting an Interest Rate Buydown (IRB) for 50% of the original construction amount of \$10,000,000 to replace 50% of the authorized loan amount of \$22,110,000. Staff has calculated that approximately \$1,000,000 is needed to buy down the interest rate on a \$10,000,000 loan from a market rate of 4.68% to the previously authorized basis of 3.5%. Staff recommends that the Board authorize an IRB of \$1,000,000 to replace one-half of the previous authorization.

Motion: **It was moved by Mr. Myers to approve staff's request to authorize \$1,000,000 for an Interest Rate Buydown to replace one-half of the previously authorized loan, and to extend the expiration date on the remaining one-half of the previously authorized loan to no later than December 31, 2009. The motion was seconded by Mr. Rowley and was unanimously approved.**

(Note: The extended loan authorization to December 31, 2009 for one-half of the previously authorized loan amount is \$11,055,000 at an interest rate of 2.3% repayable over 20 years and includes \$1,000,000 for a nonpoint source project(s) to be approved by the Water Quality Board.)

OTHER BUSINESS

Carbon Sequestration: Farnham Dome Pilot Project & Senate Bill 202 Energy Resource and Carbon Emission Reduction Initiative: Ms. Cady gave the Board a presentation on SB 202.

Summary of Current TMDL Water Quality Studies: Mr. Adams presented an overview of the TMDL Water Quality Studies.

NEXT MEETING:

May 16, 2008 – DEQ Rm 100, 168 N 1950 W, SLC Utah

Joe Piccolo, Chairman
Utah Water Quality Board